

**FORM A**  
**STATEMENT REGARDING THE ACQUISITION OF**  
**CONTROL OF OR MERGER WITH A DOMESTIC INSURER**

**TUFTS HEALTH FREEDOM INSURANCE COMPANY,**  
**a New Hampshire Insurance Company,**

**BY**

**UNITEDHEALTH GROUP INCORPORATED,**  
**a Delaware corporation,**

**AND**

**UNITED HEALTHCARE SERVICES, INC.,**  
**a Minnesota corporation and a direct wholly-owned subsidiary of**  
**UnitedHealth Group Incorporated,**

Filed with the New Hampshire Insurance Department

Date: October 5, 2020

Name, Title, Address and Telephone Number of Individual to Whom Notices and  
Correspondence Concerning This Statement Should be Addressed:

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## **INTRODUCTION**

This Statement Regarding the Acquisition of Control of or Merger with a Domestic Insurer (this “Statement”) is submitted to the New Hampshire Insurance Department (the “Department”) by UnitedHealth Group Incorporated, a Delaware corporation (“UHG”), and United HealthCare Services, Inc., a Minnesota corporation and a direct wholly-owned subsidiary of UHG (“UHS”) (together, the “Acquiring Parties”). Pursuant to a Stock Purchase Agreement dated as of September 24, 2020 (the “Stock Purchase Agreement”), more particularly described below and attached as **Exhibit 1**, UHS has agreed to acquire all of the outstanding shares of common stock of Tufts Health Freedom Plans, Inc., a Delaware corporation (“THFP”) (such acquisition, the “Acquisition”). As a result of the Acquisition, the Acquiring Parties would indirectly acquire all of the issued and outstanding shares of common stock of Tufts Health Freedom Insurance Company, a New Hampshire-domiciled insurance company (the “Company”), which is a wholly-owned subsidiary of THFP. As the Acquisition would constitute an indirect change of control of the Company, the Acquiring Parties respectfully request that the Department review this Statement and approve the Acquisition pursuant to N.H. Rev. Stat. § 401-B:3.

### **ITEM 1. METHOD OF ACQUISITION.**

#### Name and Address of the Company

The name and main administrative address of the Company to which this Statement relates are as follows:

Tufts Health Freedom Insurance Company  
705 Mount Auburn Street  
Watertown, MA 02472-1508

The federal identification number of the Company is 47-3788473, and the NAIC number is 15737.

The Company is domiciled in New Hampshire and is licensed as an accident and health insurance company. The Company is a direct, wholly-owned subsidiary of THFP, a Delaware corporation. A pre-acquisition organizational chart for THFP and the Company is attached as **Exhibit 2**. (No other affiliate of THFP or the Company is included in the Acquisition.)

#### Method of Acquisition of Control

Pursuant to the Stock Purchase Agreement, UHS will purchase all of the issued and outstanding common stock of THFP from Tufts Associated Health Plans, Inc., a Delaware Corporation. Closing of the Acquisition under the Stock Purchase Agreement is subject to the satisfaction of certain closing conditions, including: (1) the approval or non-disapproval of the Commissioner of the Department; (2) approval of UHS as an acceptable purchaser of THFP and the Company by the Antitrust Division of the United States Department of Justice and New Hampshire Attorney General; and (3) satisfaction or waiver of the conditions to close the contemplated transaction between Tufts Health Plan, Inc. and Harvard Pilgrim Health Care, Inc. All references to the Stock

Purchase Agreement in this Statement are qualified in their entirety by reference to the full text of such agreement attached as **Exhibit 1**.

As a result, UHS will acquire, indirectly, all of the issued and outstanding shares of common stock of the Company. Immediately upon closing of the Stock Purchase Agreement, which is conditioned on the receipt of regulatory approval, THFP will become a direct wholly-owned subsidiary of UHS, and thus an indirect wholly owned subsidiary of UHG. The Company will become an indirect wholly-owned subsidiary of UHS and UHG.

## **ITEM 2. IDENTITY AND BACKGROUND OF ACQUIRING PARTIES.**

### **(a) Name and Address of the Acquiring Parties**

The names and principal business addresses of the Acquiring Parties seeking to acquire control of the Company are as follows:

UnitedHealth Group Incorporated  
9900 Bren Road East  
Minnetonka, Minnesota 55343

United HealthCare Services, Inc.  
9900 Bren Road East  
Minnetonka, Minnesota 55343

### **(b) Nature of the Acquiring Parties' Business**

#### **UnitedHealth Group Incorporated**

UHG is a diversified health care company dedicated to helping people live healthier lives and helping make the health system work better for everyone. Through its diversified family of businesses, UHG leverages core competencies in data and health information, advanced technology, and clinical expertise, focused on improving health outcomes, lowering health care costs and creating a better experience for patients, their caregivers and physicians. These core competencies are deployed within UHG's two distinct, but strategically aligned, business platforms: health benefits operating under UnitedHealthcare and health services operating under Optum. For more information about UHG's diversified businesses, please see Item 1 of the Annual Report on Form 10-K of UHG for the year ended December 31, 2019, which is included as **Exhibit 11-A** to this Statement, and Item 2 of the Quarterly Report on Form 10-Q of UHG for the period ended June 30, 2020, which is included as **Exhibit 12** to this Statement.

#### **United HealthCare Services, Inc.**

UHS was incorporated in 1974, is based in Minnetonka, Minnesota, and is a direct wholly-owned subsidiary of UHG. UHS provides management services to health care companies and is widely licensed as a third-party administrator and a utilization review agent.

The Acquiring Parties intend to continue operating their business as set forth in Item 1 of the Annual Report on Form 10-K of UHG for the year ended December 31, 2019, and Item 2 of the Quarterly Report on Form 10-Q of UHG for the period ended June 30, 2020.

(c) Organizational Chart and Affiliate Information

An abbreviated pre-Acquisition organizational chart clearly presenting the identities of and interrelationships among the Acquiring Parties is included as **Exhibit 3** to this Statement. Such chart indicates the percentage of voting securities of each such person that is owned or controlled by the Acquiring Parties or by any other such person. Unless otherwise indicated, control of all persons is maintained by the ownership or control of voting securities. Such chart indicates the type of organization, the domicile and the NAIC number for each entity, as applicable. No court proceedings involving a reorganization or liquidation are pending with respect to any such persons identified in **Exhibit 3**.

An abbreviated post-acquisition organizational chart of the Acquiring Parties and the Company is attached to this Statement as **Exhibit 4**.

**ITEM 3. IDENTITY AND BACKGROUND OF INDIVIDUALS ASSOCIATED WITH THE APPLICANTS.**

(a) Directors and Executive Officers' Names and Business Addresses

The names of the directors and executive officers of each of the Acquiring Parties are set forth in **Exhibit 5**. Their business addresses are included in the Biographical Affidavits, which are being provided separately to the Department as **Exhibit 6**.

To the best of UHG's knowledge, there are no stockholders owning 10% or more of UHG's voting securities.

(b) Present Principal Business Activity, Occupation, or Employment

The present principal business activity, occupation, or employment, including positions and offices held, and the name, principal business, and address of any corporation or other organization in which such employment is carried on, with respect to the directors and executive officers of the Acquiring Parties are included in their Biographical Affidavits.

(c) Material Occupations, Positions, Offices, or Employment

The material occupations, positions, offices, or employment during the last five years, including the starting and ending dates of each and the name, principal business, and address of any business corporation or other organization in which each such occupation, position, office, or employment was carried on, with respect to the directors and executive officers of the Acquiring Parties, are included in their Biographical Affidavits. Except as set forth in the Biographical Affidavits, no such occupation, position, office, or employment required licensing by or registration with any

federal, state, or municipal governmental agency. The current status of any such licensing or registration, and an explanation of any surrender, revocation, suspension, or disciplinary proceedings in connection therewith, are stated in the Biographical Affidavits.

(d) Criminal Proceedings

Except as set forth in the Biographical Affidavits, to the best knowledge, information, and belief of the Acquiring Parties, no person listed in Exhibit 5 has been convicted in a criminal proceeding (excluding minor traffic violations) during the last ten years. A third-party background check will be submitted for each such person.

**ITEM 4. NATURE, SOURCE, AND AMOUNT OF CONSIDERATION.**

(a) Nature, Source, and Amount of Funds or Other Consideration

Pursuant to the Stock Purchase Agreement, the total consideration to be paid by UHS to acquire 100% of the issued and outstanding shares of common stock of THFP, and therefore, indirectly, 100% of the issued and outstanding shares of common stock of the Company, will be \$17,500,000, subject to certain adjustments as set forth in the Stock Purchase Agreement. The source of such consideration will be the Acquiring Parties' cash on hand.

(b) Criteria Used in Determining the Nature and Amount of the Consideration

The nature and amount of consideration to be paid in connection with the Acquisition was determined by arm's length negotiations between unaffiliated parties assisted by independent advisors.

(c) Lender Confidentiality

Not applicable.

**ITEM 5. FUTURE PLANS OF INSURER.**

Other than as set forth in this Statement, the Acquiring Parties currently do not have, nor do the Acquiring Parties currently contemplate, any plans or proposals to liquidate the Company, sell any of the Company's assets, merge or consolidate the Company with any person or persons, cause the Company to declare a dividend or any other distribution, or make any other material change in the Company's business operations or corporate structure or management. Following consummation of the Acquisition, the Acquiring Parties intend to closely evaluate the operations, business, and staffing of the Company to determine how best to optimize the value of its business platform.

A plan of operations and three-year financial projections for the Company are attached as Exhibit 7.

Immediately following the closing of the Acquisition, the persons listed in **Exhibit 8** will serve as the Company's directors and executive officers. Biographical Affidavits for these individuals will be submitted as **Exhibit 9**, to the extent they are not already included in **Exhibit 6**.

Following the closing of the Acquisition, the Company will receive transition services from Tufts Benefit Administrators, Inc., pursuant to a Transition Services Agreement substantially in the form of **Exhibit A** to the Stock Purchase Agreement included as **Exhibit 1**.

UHS has entered into an employment agreement with a key employee of the Company, and such agreement would be effective as of the closing of the Acquisition. The employment agreement is attached as **Exhibit 10**.

Following the closing of the Acquisition, the Acquiring Parties intend to cause the Company to enter into (i) a tax sharing agreement with UHG; and (ii) a management services agreement with UHS. The Acquiring Parties will provide notice to the Department under N.H. Rev. Stat. § 401-B:5 with respect to such agreements, as required.

#### **ITEM 6. VOTING SECURITIES TO BE ACQUIRED.**

The Company has 16,000 shares of common stock issued and outstanding, all of which are owned by THFP. Pursuant to the Agreement, UHS proposes to acquire 100% of the issued and outstanding shares of common stock of THFP, and thereby, indirectly, 100% of the issued and outstanding shares of common stock of the Company. The fairness of the proposal was arrived at by arm's length negotiations between unaffiliated parties assisted by independent advisors.

#### **ITEM 7. OWNERSHIP OF VOTING SECURITIES.**

None of the Acquiring Parties, the wholly-owned direct or indirect subsidiaries of UHG, or any person referenced in Item 3 owns any interest in (or has a right to acquire) any voting security of the Company or any of its affiliates, except as set forth in the Agreement.

#### **ITEM 8. CONTRACTS, ARRANGEMENTS, OR UNDERSTANDINGS WITH RESPECT TO VOTING SECURITIES OF THE INSURER.**

Other than as indicated in this Statement, there are no contracts, arrangements, or understandings with respect to the voting securities of the Company or any of its affiliates in which the Acquiring Parties, their affiliates, or any person listed in Item 3 of this Statement is involved.

#### **ITEM 9. RECENT PURCHASES OF VOTING SECURITIES.**

There have been no purchases of any voting securities of the Company or any of its affiliates by the Acquiring Parties or, to the Acquiring Parties' knowledge, by any of their affiliates, or any person listed in Item 3, during the 12 calendar months preceding the filing of this Statement.

**ITEM 10. RECENT RECOMMENDATIONS TO PURCHASE.**

To the Acquiring Parties' knowledge, there have been no recommendations to purchase any voting securities of the Company or any of its affiliates made by the Acquiring Parties, their affiliates, or any person listed in Item 3 of this Statement, or by anyone based on interviews with or at the suggestion of the Acquiring Parties, their affiliates, or any person listed in Item 3 during the 12 calendar months preceding the filing of this Statement.

**ITEM 11. AGREEMENTS WITH BROKER-DEALERS.**

No agreement, contract, or understanding has been made by the Acquiring Parties or their affiliates with any broker-dealer as to solicitation of the voting securities of the Company or any of its affiliates, and no amount of fees, commissions, or other compensation has been paid by the Acquiring Parties or their affiliates to broker-dealers with regard to solicitation of the voting securities of the Company or any of its affiliates.

**ITEM 12. FINANCIAL STATEMENTS AND EXHIBITS.**

(a) Exhibits

The following Exhibits are attached to this Statement:

<b>EXHIBIT NUMBER</b>	<b>TITLE</b>
1	Stock Purchase Agreement
2	Organizational Chart of the Company and THFP Prior to the Acquisition
3	Abbreviated Organizational Chart of the Acquiring Parties Prior to the Acquisition
4	Abbreviated Organizational Chart Post-Acquisition
5	List of Directors and Executive Officers of the Acquiring Parties
6	Biographical Affidavits for the Directors and Executive Officers of the Acquiring Parties (confidential – filed separately)
7	Plan of Operations and Three-Year Financial Projections of the Company (confidential – filed separately)
8	List of the Directors and Executive Officers of the Company Post-Acquisition
9	Biographical Affidavits for the New Directors and Executive Officers of the Company Post-Acquisition (confidential – to be filed separately)
10	Employment Agreement with Key Employee of the Company (confidential – filed separately)
11-A	Annual Report on Form 10-K of UHG for the year ended December 31, 2019, filed with the Securities and Exchange Commission (includes audited financial statements for 2019 and 2018)
11-B	Annual Report on Form 10-K of UHG for the year ended December 31, 2018, filed with the Securities and Exchange Commission (includes audited financial statements for 2018 and 2017)

EXHIBIT NUMBER	TITLE
11-C	Annual Report on Form 10-K of UHG for the year ended December 31, 2017, filed with the Securities and Exchange Commission (includes audited financial statements for 2017 and 2016)
11-D	Annual Report on Form 10-K of UHG for the year ended December 31, 2016, filed with the Securities and Exchange Commission (includes audited financial statements for 2016 and 2015)
12	Quarterly Report on Form 10-Q of UHG for the period ended June 30, 2020, filed with the Securities and Exchange Commission

As noted in the chart above, Exhibits 6, 7, 9, and 10 will be separately filed and marked “Confidential” because they contain confidential, personal or proprietary information or trade secrets not otherwise available to the public. The Acquiring Parties request that: (i) Exhibits 6, 7, 9, and 10 be afforded confidential treatment and be excepted from disclosure pursuant to all applicable provisions of law, including, but not limited to, N.H. Rev. Stat. § 91-A:5(IV) and N.H. Rev. Stat. § 401-B:8; (ii) the Acquiring Parties be notified in advance of any proposed disclosure by the Department of such confidential information; and (iii) the Acquiring Parties be given a reasonable opportunity to seek a protective order or take other action to prevent or limit any such disclosure.

(b) Financial Statements

Audited consolidated financial statements of UHG and its subsidiaries (including UHS) as of December 31, 2019, 2018, 2017, 2016, and 2015 are attached as Exhibits 11-A to 11-D. Unaudited consolidated financial statements of UHG and its subsidiaries as of June 30, 2020 are attached as Exhibit 12.

(c) Certificate of Independent Public Accountant

Each of the audited consolidated financial statements of UHG and its subsidiaries attached as Exhibits 11-A to 11-D are accompanied by a report of an independent registered public accounting firm to the effect that such statement presents fairly the financial position of UHG and its subsidiaries and the results of their operations for the year then ended, in conformity with generally accepted accounting principles.

(d) Tender Offers, Agreements for Voting Securities, Proposed Employment Contracts, and Annual Reports

Other than as described in this Statement, there are no tender offers for, requests or invitations for, tenders of, exchange offers for, or agreements to acquire or exchange any voting securities of the Company or any of its affiliates, or any additional soliciting material.

As stated in Item 5, UHS has entered into an employment agreement with a key employee of the Company, and such agreement would be effective as of the closing of the Acquisition. Other than as set forth in this Statement, in the Stock Purchase Agreement, or in any contracts, arrangements,



or understandings entered into in the ordinary course of business with any insurance agent, solicitor, or broker, there are no existing or proposed contracts, arrangements, or understandings between the Acquiring Parties and any present or former director, officer, or employee of the Company.

Annual reports to the shareholders of UHG for the last two fiscal years are attached as Exhibits 11-A and 11-B. The Company does not prepare annual reports to its shareholder.

**ITEM 13. AGREEMENT REQUIREMENTS FOR ENTERPRISE RISK MANAGEMENT.**

The Acquiring Parties agree to provide, to the best of their knowledge and belief, the information required by Form F within 15 days after the end of the month in which the acquisition of control occurs, and annually thereafter, in accordance with N.H. Rev. Stat. § 401-B:4, XII, for so long as control exists. The Acquiring Parties acknowledge that they and their subsidiaries will provide information to the Commissioner upon request and as necessary to evaluate enterprise risk to the Company.


*[Signature pages follow]*

**ITEM 14. SIGNATURE AND CERTIFICATION.**

**SIGNATURE**

Pursuant to the requirements of N.H. Rev. Stat. § 401-B:3, UHG has caused this application to be duly signed on its behalf in the City of Minnetonka and State of Minnesota, on the 30 day of September, 2020.

UnitedHealth Group Incorporated

By:  \_\_\_\_\_

Name: Thomas E. Roos

Title: Chief Accounting Officer and Senior Vice President

Attest:

By:  \_\_\_\_\_  
Name: Kuai Ha Leong  
Title: Assistant Secretary

**CERTIFICATION**

The undersigned deposes and says that he has duly executed the attached application for and on behalf of UHG; that he is the Chief Accounting Officer and Senior Vice President of such company and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information, and belief.

By:  \_\_\_\_\_


Name: Thomas E. Roos

Title: Chief Accounting Officer and Senior Vice President

SIGNATURE

Pursuant to the requirements of N.H. Rev. Stat. § 401-B:3, UHS has caused this application to be duly signed on its behalf in the City of Minnetonka and State of Minnesota, on the 30 day of September, 2020.

United HealthCare Services, Inc.


By:   
Name: Thomas E. Roos  
Title: Chief Financial Officer

Attest:

By:   
Name: Heather A. Lang  
Title: Assistant Secretary

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached application for and on behalf of UHS; that he is the Chief Financial Officer of such company and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information, and belief.

By:   
Name: Thomas E. Roos  
Title: Chief Financial Officer